

REMARKS

This responds to the Office Action dated November 8, 2007.

Claims 18, 33, 35, and 46-47 are amended and claims 37-45 are canceled. As a result, claims 18-36 and 46-47 are now pending in this application.

§101 Rejection of the Claims

Claims 46-47 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Applicants have amended the claims to more clearly indicate claims 46 and 47 falls within the technological arts as suggested by the Examiner. The computer medium may be embodied, for example, within the encoder software 50 (see FIG. 3) so that it may be used by the encoder 12.

In view of the amendments to the claims, it is submitted the rejection under 35 USC § 101 has been overcome and reconsideration of claims 46 and 47 is earnestly requested.

§103 Rejection of the Claims

Claims 18-36 and 46-47 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Cookson et al. (U.S. Patent No. 7,167,209) in view of Barton et al. (U.S. Patent No. 6,215,526 B1).

Applicants respectfully submit that the Office Action did not make out a *prima facie* case of obviousness in connection with any of the above rejections because even if combined, the cited references fail to teach or suggest all of the elements of Applicants' claimed invention.

The references when combined must teach or suggest all the claim elements. M.P.E.P. § 2142 (citing *In re Vaack*, 947 F.2d 488, 20 USPQ2d 1438 (Fed.Cir. 1991)).

Cookson discloses a method of encoding based on the Veil encoding where encoding is performed by "increasing the average luminance of one line in a field and decreasing the average luminance of the next adjacent line." See Col lines 61-64. Cookson teaches grouping lines in a field of a video signal together to maintain modulation during "up res'ing" and "down res'ing". Col 2 lines 12-14.

Cookson discloses encoding the grouped lines by altering average luminance of scan lines in the group but does not disclose altering total luminance of a frame or a field of a frame. See Col 4 lines 8-12. Rather, the total luminance of the group, field or frame in Cookson remains constant as the luminance of the scan lines are increased and decreased in equal number and corresponding amounts so that there is no change in total luminance. See Col 1 lines 24-31 and 61-67, Col 2 lines 15-18, Col 3 line 60-Col 4 line 7, and Col 7 lines 14-24.

Cookson and Barton both fail to teach:

1. "producing a modulated video signal by raising luminance of a first frame and lowering luminance of a second frame of the plurality of frames in a substantially invisible way, wherein the raising of the luminance of the first frame increases total luminance of the first frame and the lowering of the luminance of the second frame decreases the total luminance of the second frame" of claim 18,
2. "altering intensity of at least two frames of the plurality of frames to encode the digital video signal, wherein the intensity of the at least two frames are each altered by a different intensity amount so that each of the at least two frames has a different total intensity than the other frame" of claim 33,
3. "encoding a signal presence in the digital video signal by increasing luminance of a first frame of the plurality of frames and decreasing luminance of a second frame of the plurality of frames in a substantially invisible way, the first frame and the second frame being consecutive frames of the plurality of frames, wherein the increasing of the luminance of the first frame increases total luminance of the first frame and the decreasing of the luminance of the second frame decreases the total luminance of the second frame" of claim 35, and
4. "produce a modulated video signal by raising luminance of a first frame and lowering luminance of a second frame of the plurality of frames, wherein the raising of the luminance of the first frame increases total luminance of the first frame and the lowering of the luminance of the second frame decreases the total luminance of the second frame" of claim 46.

See page 34 lines 4-22 and page 35 lines 14-20.

Applicants submit that a dependent claim incorporates each of the claim elements of the independent claim from which it properly depends, and more. Applicants assert for the reasons stated above, that neither Cookson nor Barton teach or suggest¹ all of the claim elements of dependent claims 19-32, 34, 36, and 47.

In conclusion, Applicants reaffirm the position that Cookson and Barton, when combined, do not teach or suggest all of the claim elements of claims 18-36 and 46-47 and accordingly respectfully request that the rejection under 35 U.S.C. §103(a) be withdrawn.

Reservation of Rights

In the interest of clarity and brevity, Applicant may not have equally addressed every assertion made in the Office Action, however, this does not constitute any admission or acquiescence. Applicant reserves all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicant does not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicant timely objects to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicant reserves all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoiner of any withdrawn claim, as required by MPEP § 821.04.

¹ The references when combined must teach or suggest all the claim elements. M.P.E.P. § 2142 (citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed.Cir. 1991)).

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at 636-681-1324 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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Date November 30, 2007

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 30 day of November 2007.

Name

Signature